

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on March 19, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: None.

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 667, HB 665, 4/12/1999

Executive Action: HB 174, HB 540, HB 582, HB
657, HB 569

HEARING ON HB 667

Chairman Hibbard said HB 667 was originally scheduled for today. It's a Bill on Forest Land taxation. He has pulled that Bill from the Hearing Schedule and does not intend to hold a Hearing on that Bill because of a situation that was mutually worked out between the Proponents and Opponents of the Bill.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 1.8}

HEARING ON HB 665

Opening Statement by Sponsor:

Rep. Tom Facey, HD 67

{Tape : 1; Side : A; Approx. Time Counter : 1.8 - 13.8}

Proponents' Testimony:

Gordon Morris, Director, Association of Counties

{Tape : 1; Side : A; Approx. Time Counter : 13.8 - 19.7}

Opponents' Testimony: None

Informational Testimony:

Harold Blattie, County Commissioner, Stillwater County

{Tape : 1; Side : A; Approx. Time Counter : 19.7 - 24.0}

Bill Kennedy, County Commissioner, Yellowstone County

{Tape : 1; Side : A; Approx. Time Counter : 24 - 27.4}

Bob Gilbert, Rosebud County

{Tape : 1; Side : A; Approx. Time Counter : 27.4 - 28.3}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 28.3 - 30}

{Tape : 1; Side : B; Approx. Time Counter : 0.1 - 28}

Closing Statement by Sponsor:

Rep. Facey closed the Hearing on HB 665

{Tape : 1; Side : B; Approx. Time Counter : 28 - 29.4}

{Tape : 2; Side : A; Approx. Time Counter : 0.1 - 1.5}

EXECUTIVE ACTION ON HB 174

Discussion on Hibbard Amendment:

{Tape : 2; Side : A; Approx. Time Counter : 1.5 - 14.7}

Motion: Rep. Hibbard moved to amend the Amendment #17405

{Tape : 2; Side : A; Approx. Time Counter : 14.7 - 14.8}

Discussion:

{Tape : 2; Side : A; Approx. Time Counter : 14.8 - 20.0}

Vote: Motion carried 19-1 with Rep. Fuchs voting no.

{Tape : 2; Side : A; Approx. Time Counter : 20 - 20.7}

Discussion on Harrington Amendment:

{Tape : 2; Side : A; Approx. Time Counter : 20.7 - 30}

{Tape : 2; Side : B; Approx. Time Counter : 0.1 - 6.7}

Motion/Vote: Rep. Harrington moved Amendment #17404. Motion failed 9-10 with Reps. Story, Schmidt, Rose, Guggenheim, Somerville, Erickson, Rehbein, Davies, Raney, Gillan voting no.

{Tape : 2; Side : B; Approx. Time Counter : 6.7 - 7.7}

Chairman Hibbard referred to a discussion he had with Mr. Hardy from the Co-ops about his feeling in reading the Bill, that customers of Co-ops in areas other than those areas where they were competing head-to-head with an IOU, would be subject to the KWH tax and I informed him that that was not the case. They have gone back to look at the precise wording in the Bill and the wording is not real clear. The intent is for Co-op customers in service after 5-02-97 and a new service, regardless of when they are competing under 390, a new service or new customers under old service are not subject to the KWH tax.

{Tape : 2; Side : B; Approx. Time Counter : 7.7 - 10.1}

Jeff Martin, Legislative Staffer, gave a clarification.

{Tape : 2; Side : B; Approx. Time Counter : 10.1 - 11.8}

Motion/Vote: Rep. Rehbein offered a substitute motion to TABLE HB 174. Motion carried 11-9 with Reps. Story, Orr, Holden,

Jackson, Harrington, Dale, Somerville, Fuchs and Hibbard voting no.

{Tape : 2; Side : B; Approx. Time Counter : 11.8 - 13.9}

EXECUTIVE ACTION ON HB 540

Discussion:

{Tape : 2; Side : B; Approx. Time Counter : 13.9 - 21.6}

Motion: Rep. Harper moved to re-open for consideration HB 540.

Discussion:

Jeff Martin gave a technical explanation of Amendment 54001.

{Tape : 2; Side : B; Approx. Time Counter : 19.4 - 23.9}

Vote: Motion to reconsider HB 540 for the purpose of considering the technical amendments passed 20-0

{Tape : 2; Side : B; Approx. Time Counter : 23.9 - 24.2}

Motion/Vote: Rep. Harper moved the technical amendments #54001.

Motion passed 20-0

{Tape : 2; Side : B; Approx. Time Counter : 24.2 - 24.3}

Motion/Vote: Rep. Harper moved HB 540 Do Pass As Amended.

Motion passed 20-0

{Tape : 2; Side : B; Approx. Time Counter : 24.3 - 24.5}

Students from Missoula were introduced and received a welcome from the Committee.

{Tape : 2; Side : B; Approx. Time Counter : 24.5 - 27.9}

EXECUTIVE ACTION ON HB 582

Motion: Rep. Story moved Do Pass **EXHIBIT**(tah62a01)

Motion: Rep. Story moved Amendments #58201

{Tape : 3; Side : A; Approx. Time Counter : 0.1 - 0.5}

Discussion: **EXHIBIT**(tah62a02) **EXHIBIT**(tah62a03)

{Tape : 3; Side : A; Approx. Time Counter : 0.5 - 30.5}

{Tape : 3; Side : B; Approx. Time Counter : 0.1 - 2.4}

Motion: Rep. Somerville moved Amendments 58204 **EXHIBIT**(tah62a04)

Discussion:

{Tape : 3; Side : B; Approx. Time Counter : 2.4 - 8.4}

Vote: Somerville Amendment passed 17-3 with Reps. Orr, Story and Rehbein voting no.

{Tape : 3; Side : B; Approx. Time Counter : 8.4 - 9.2}

Vote: Story Amendments passed 16-4 with Reps. Schmidt, Erickson, Gillan and Beck voting no.

{Tape : 3; Side : B; Approx. Time Counter : 9.2 - 11.5}

Discussion:

{Tape : 3; Side : B; Approx. Time Counter : 11.5 - 13.7}

Motion: Rep. Harper moved a conceptual amendment to add \$3600 exemption for retirees

{Tape : 3; Side : B; Approx. Time Counter : 13.7 - 13.8}

Discussion:

{Tape : 3; Side : B; Approx. Time Counter : 13.8 - 22}

Substitute Motion: Rep. Holden moved to TABLE HB 582 as amended.

{Tape : 3; Side : B; Approx. Time Counter : 22 - 22.6}

Discussion:

{Tape : 3; Side : B; Approx. Time Counter : 22.6 - 24}

Vote: Motion to TABLE HB 582 carried 13-7 with Reps. Story, Orr, Rose, Jackson, Dale, Rehbein and Hanson voting no.

{Tape : 3; Side : B; Approx. Time Counter : 24 - 25.5}

EXECUTIVE ACTION ON HB 657

Motion: Rep. Fuchs moved Do Pass HB 657

{Tape : 3; Side : B; Approx. Time Counter : 25.5 - 27.3}

Discussion: **EXHIBIT**(tah62a05) **EXHIBIT**(tah62a06) Referred to as A and B by Joe Shevlin

{Tape : 4; Side : A; Approx. Time Counter : 0.1 - 12.8}

Questions from Committee Members and Responses:

{Tape : 4; Side : A; Approx. Time Counter : 12.3 - 23.1}

Vote: Motion passed 18-2 with Reps. Harrington and Somerville voting no.

EXECUTIVE ACTION ON HB 659

Motion: Rep. Hanson moved Do Pass.

{Tape : 4; Side : A; Approx. Time Counter : 23.1 - 24.6}

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 24.6 - 28.3}

Motion/Vote: Rep. Harper moved Amendments #65901. Motion passed unanimously 20-0

{Tape : 4; Side : A; Approx. Time Counter : 28.3 - 28.4}

Discussion:

{Tape : 4; Side : A; Approx. Time Counter : 28.4 - 29.9}

Motion: Motion Do Pass as Amended passed 14-6 with Reps. Orr, Holden, Dale, Rehbein, Rose and Fuchs voting no.

{Tape : 4; Side : B; Approx. Time Counter : 0.1 - 3.3}

ADJOURNMENT

Adjournment: 11:35 A.M.

REP. CHASE HIBBARD, Chairman

DONNA GRACE, Secretary

CH/DG

EXHIBIT (tah62aad)